

July 19, 2007

VIA ELECTRONIC COMMENT FILING SYSTEM

Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

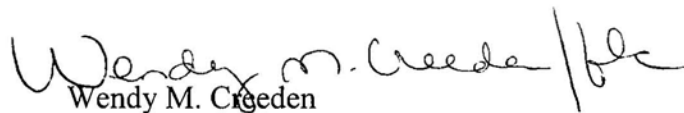
**Re: Value-Added Communications, Inc.
Comments on Oblio Petition for Declaratory Ruling
CC Docket Nos. 06-112 and 96-45.**

Dear Secretary Dortch:

Pursuant to the Federal Communications Commission's June 19, 2007 Public Notice, DA 07-2701, Value-Added Communications, Inc., through its undersigned counsel, respectfully submits these Comments regarding Oblio Telecom, Inc.'s Petition for Declaratory Ruling pending in CC Docket No. 06-112.

If you have any questions regarding this filing, please feel free to contact the undersigned.

Sincerely,


Wendy M. Creeden

Counsel for Value-Added Communications, Inc.

cc: Antoinette Stevens (FCC)
Greg Guice (FCC)
Best Copy and Printing, Inc.
Kermit Heaton (VAC)
Mike Smith (VAC)
Kathleen Greenan Ramsey (SNR)

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
Oblio Telecom, Inc.)	CC Docket No. 06-112
Petition for Declaratory Ruling)	
)	

To: Wireline Competition Bureau

**COMMENTS OF
VALUE-ADDED COMMUNICATIONS, INC.**

Pursuant to the Federal Communications Commission's ("Commission" or "FCC") June 19, 2007 Public Notice, DA 07-2701, Value-Added Communications, Inc. ("VAC"), through its undersigned counsel, respectfully submits these Comments regarding Oblio Telecom, Inc.'s ("Oblio") Petition for Declaratory Ruling pending in the above-referenced proceeding ("Petition"). In its Petition, Oblio seeks a Declaratory Ruling that (1) a wholesale carrier's refusal to honor a reseller exemption certificate and refund collected universal service fund ("USF") charges are an unreasonable practice in violation of section 201(b) of the Communications Act of 1934, as amended ("Act"); and (2) the practice of selectively accepting some, but not all reseller exemption certificates, and issuing refunds to some, but not all resellers, constitutes an unjust and unreasonable discriminatory practice in violation of section 202(a) of the Act.

VAC submits that the predicament of Oblio is another striking example of the hardship faced by resellers resulting from the lack of USAC/FCC administrative procedures to correct mistakes that inevitably occur in the reseller exemption certificate process established by the Commission for USF contribution obligations. As VAC has explained in its Petition for Review

currently pending before the Commission,¹ without a mechanism by which resellers can correct mistakes with respect to the reseller exemption certificate process, the end user contribution methodology fails to comply with the equitable and non-discriminatory mandate of section 254(d) of the Act and violates the basic principle of federal law that double collection from the government is not permitted.

Specifically, as a practical matter, there is no incentive for wholesalers to incur the administrative costs to re-file Forms 499 to correct any mistakes that occur in the reseller exemption certificate process. Additionally, given the marketplace realities that it can take a number of months to discover a mistake and several more months to come to an agreement on the correction to the mistake (if that even occurs), *it often is not possible for the wholesaler to re-file the appropriate Forms 499 due to the one-year limit on downward Form 499 revisions.* Furthermore, from the wholesaler carrier's perspective, any USF fees collected from the reseller has been remitted to the USF and is no longer in the wholesale carrier's possession.

Moreover, mistakes will, and do, occur, and Oblio's Petition is another example that demonstrates how it is virtually impossible for a reseller to correct any mistakes that occur as part of the reseller exemption certificate process mandated by the Commission. As a result, resellers are unduly burdened with double collection of USF obligations and thus not afforded equitable and non-discriminatory treatment under the end user USF contribution methodology as mandated by section 254(d) of the Act. Indeed, double collection of USF from resellers is

¹ Value-Added Communications, Inc. Petition for Review, CC Docket No. 96-45 (filed Apr. 13, 2007).

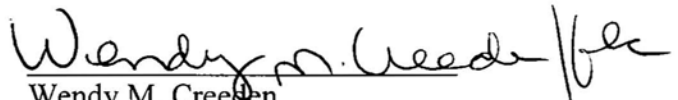
squarely contrary to the Act, the Commission's USF policies and basic principle of federal law that double collection from the government is not permitted.

Accordingly, in order to address the double collection issue, the Commission should establish a mechanism by which resellers are able to correct mistakes that may occur through the reseller exemption certificate process. In its Petition for Review, VAC detailed simple administrative procedures that the Commission could adopt that would not be unduly burdensome for USAC or the Commission, but instead would shift most of the administrative burden to the carriers involved.² With the Commission adoption of these simple administrative procedures, resellers would finally have the ability to correct mistakes that occur in the reseller exemption certificate process, and the end user contribution methodology would no longer unduly burden resellers with double collection in violation of the Act, the FCC's USF policies and basic principles of federal law.

² VAC Petition for Review at 19-20.

For the foregoing reasons, and for the reasons set forth in VAC's Petition for Review and Oblio's Petition for Declaratory Ruling, VAC urges the Commission to confirm that double recovery is not allowed under the USF program and adopt a mechanism by which mistakes that occur in the reseller exemption certificate process may be corrected with a credits issued to resellers for USF payments already submitted to wholesale carriers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Wendy M. Creeden", followed by a stylized flourish or initials.

Wendy M. Creeden
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Dated: July 19, 2007

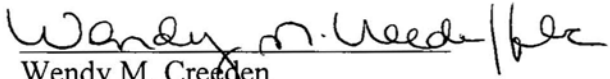
CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of July, 2007, true and accurate copies of the foregoing Comments of Value-Added Communications, Inc. were sent via First Class mail to the following:

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